

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 08/15)

Fiscal Year 2016-17	Business Unit Administration	Department Governor's Office of Business & Economic Development	Priority No. 004
Budget Request Name 0509-003-BCP-BR-2016-GB		Program 0220 - GO-BIZ	Subprogram ADMINISTRATION

Budget Request Description

Administrative Workload - Human Resources, Business Services, Procurement

Budget Request Summary

The Governor's Office of Business and Economic Development is requesting ongoing budget authority for four positions and \$309,000 in General Fund to provide administrative support services to the Human Resources, Business Services, and Contracts and Procurement Units.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance. <input type="checkbox"/> FSR <input type="checkbox"/> SPR Project No. Date:		

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Tamiko Heim	Date 1/5/16	Reviewed By Jenifer Henneke JH	Date 1/5/16
Department Director Panorea Davis	Date 1/5/16	Agency Secretary	Date

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ CALSTARS ☐ Dept. of Technology

BCP Type: ☐ Policy ☐ Workload Budget per Government Code 13308.05

PPBA

Date submitted to the Legislature
1/21/16

BCP Fiscal Detail Sheet

BCP Title: Administrative Workload - Human Resources, Business Services, Procurement

DP Name: 0508-003-BCP-DP-2016-GB

Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Positions - Permanent	0.0	4.0	4.0	4.0	4.0	4.0
Total Positions	0.0	4.0	4.0	4.0	4.0	4.0
Salaries and Wages						
Earnings - Permanent	0	180	180	180	180	180
Total Salaries and Wages	\$0	\$180	\$180	\$180	\$180	\$180
Total Staff Benefits	0	67	67	67	67	67
Total Personal Services	\$0	\$247	\$247	\$247	\$247	\$247
Operating Expenses and Equipment						
5388 - Non-Capital Asset Purchases - Equipment	0	62	62	62	62	62
Total Operating Expenses and Equipment	\$0	\$62	\$62	\$62	\$62	\$62
Total Budget Request	\$0	\$309	\$309	\$309	\$309	\$309

Fund Summary

Fund Source - State Operations						
0001 - General Fund	0	309	309	309	309	309
Total State Operations Expenditures	\$0	\$309	\$309	\$309	\$309	\$309
Total All Funds	\$0	\$309	\$309	\$309	\$309	\$309

Program Summary

Program Funding						
0220 - Go-Biz	0	309	309	309	309	309
Total All Programs	\$0	\$309	\$309	\$309	\$309	\$309

Personal Services Details

Positions	Salary Information			CY	BY	BY+1	BY+2	BY+3	BY+4
	Min	Mid	Max						
4800 - Staff Svcs Mgr I (Eff. 07-01-2016)				0.0	2.0	2.0	2.0	2.0	2.0
5157 - Staff Svcs Analyst (Gen) (Eff. 07-01-2016)				0.0	1.0	1.0	1.0	1.0	1.0
5278 - Mgmt Svcs Techn (Eff. 07-01-2016)				0.0	1.0	1.0	1.0	1.0	1.0
Total Positions				0.0	4.0	4.0	4.0	4.0	4.0
Salaries and Wages	CY	BY	BY+1	BY+2	BY+3	BY+4			
4800 - Staff Svcs Mgr I (Eff. 07-01-2016)	0	141	141	141	141	141			
5157 - Staff Svcs Analyst (Gen) (Eff. 07-01-2016)	0	39	39	39	39	39			
5278 - Mgmt Svcs Techn (Eff. 07-01-2016)	0	0	0	0	0	0			
Total Salaries and Wages	\$0	\$180	\$180	\$180	\$180	\$180			
Staff Benefits									
5150900 - Staff Benefits - Other	0	67	67	67	67	67			
Total Staff Benefits	\$0	\$67	\$67	\$67	\$67	\$67			
Total Personal Services	\$0	\$247	\$247	\$247	\$247	\$247			

Analysis of Problem

A. Budget Request Summary

The Governor's Office of Business and Economic Development (GO-Biz) is requesting ongoing budget authority for four positions and \$309,000 in General Fund to provide administrative support services to the Human Resources, Business Services, Contracts and Procurement Units. This proposal will provide funding for three positions and GO-Biz will absorb the cost of one position.

B. Background/History

GO-Biz has a lack of separation of duties, policies and procedures and adequate coverage for its administrative support functions. These issues were clearly outlined in the prior Fiscal Integrity and State Manager's Accountability Act audit. There were many policies and procedures written as a resolution to the prior audit but it is becoming clear through the new State Leadership Accountability Act audit, that there is more work to be done in all of these areas.

The Administrative Manager oversees both the Human Resource Unit and Business Services Unit within GO-Biz.

The Contract Unit consists of one Associate Governmental Program Analyst received in a Budget Change Proposal (BCP) in 2014-15 in addition to a retired annuitant. The demand for contracts department-wide has increased with the continued growth of GO-Biz. The types of contracts and the complexity of the contracts have increased. Due to the continued growth and agency changes, the process has become substantially slow with only two staff performing the duties along with the Administrative Manager. The need for additional contracts will only increase with the new duties and projects slated for the Infrastructure and Economic Development Bank (IBank). With the increase in the IBank portfolio, more complex contracts will be necessary for the work that will be completed.

The Human Resources Unit has one redirected Associate Personnel Analyst and one Senior Personnel Specialist received in a BCP in 2014-15. The department has added new positions through the BCP process and by utilizing retired annuitants and student assistants. The California Film Commission added nine new positions through the BCP process. At any given time, the department employs a mix of retired annuitants and student assistants of approximately 10 to 15 staff. With the addition of these positions as well as the requests for additional positions, it is becoming more difficult to complete many of the more time consuming tasks within the Human Resources unit. Along with not being able to complete tasks in a timely manner, the Human Resources unit is in need of an Upward Mobility Program, a Strategic Plan and set up a Disability Advisory Committee. All of these programs will become more in demand as the department continues to grow.

Workload History

Workload Measure	PY - 4	PY - 3	PY - 2	PY - 1	PY	CY
Draft and Finalize Contracts, POs, Short Form	N/A	N/A	48	165	198	60
Create and maintain files, logs for each Contract, PO and Short Form	N/A	N/A	48	165	198	60
New Hires	N/A	N/A	N/A	21	50	6
Separations	N/A	N/A	N/A	2	11	6
Policies and Procedures – Write and update	N/A	N/A	N/A	3	10	3
Health & Safety (NDI/SDI/FMLA/Workers Comp/ Reasonable Accommodation)	N/A	N/A	N/A	14	25	5
Counsel and train managers and supervisors on HR topics	N/A	N/A	N/A	300	900	220

Analysis of Problem

Counsel and train employees on HR topics	N/A	N/A	N/A	350	1000	300
Classification & Pay	N/A	N/A	N/A	20	50	10
Exams	N/A	N/A	N/A	0	0	0
Special Projects	N/A	N/A	N/A	350	600	130

C. State Level Considerations

Currently, GO-Biz has seven full time administrative positions to cover information technology, human resources, facilities, business services, procurement, contracts, and budgets for the entire department of 98 authorized positions and 7 temp help positions. This Administration has instructed departments to reduce costs to realize further efficiencies in processes. This proposal does this by requesting funding for three of the requested positions while absorbing the costs of one position, therefore reducing the need to outsource services to another department at a much higher cost.

D. Justification

Due to many of the programs within GO-Biz growing, additional resources are needed to support the additional workload being created in the areas of Human Resources, Business Services, Contracts and Procurement. GO-Biz received four additional administrative support positions in 2014-15. The positions included one Associate Governmental Program Analyst to assist within the Business Services Unit, one Associate Budget Analyst, one Senior Personnel Specialist and one Systems Software Specialist II to assist with the heavy workload being carried by the Administrative Manager and the Systems Software Specialist III.

The following four positions are being requested to provide additional support in the Human Resources, Business Services, Contracts and Procurement units.

One Staff Services Manager I (SSM I) position and one Management Services Technician for the Business Service Unit.

The contracting and procurement needs of the department have increased with the CA Competes program, the Capital Infusion Grant Program, the changing needs of the Infrastructure and Economic Development Bank and the Film Commission. To temporarily lessen the burden of this additional workload, a retired annuitant was hired to help with some of the more complex contracts that were held to be completed by the Administrative Manager. There is still additional workload that must be completed by the Administrative Manager due to the sensitive nature or due to the complexity of the contracts and procurement. Even with the hiring of a SSM I to over see the operations of the Business Services Unit, the Administrative Manager will still be responsible for the overall success and operation of the unit.

The SSM I will be responsible for supervising and directing the daily activities of both the support and analytical staff performing the business service functions for the department. The additional duties of the SSM I will be the most complex and technical contracts, writing and implementing departmental contracting and procurement policy, departmental travel expense claim approvals in CalATERS, working with property management to resolve issues at all GO-Biz locations, and departmental telecommunications.

The Business Services Unit currently has no support staff to assist with data entry into legacy systems and FI\$Cal, tracking purchases, creating files, disseminating documents to internal and external customers, and compiling information for reports. This work is currently done by the one retired annuitant, one Associate Governmental Program Analyst and the Administrative Manager. With the increase in contracting activities across the department, the time spent handing these support duties would be better delegated to an appropriate staff level to complete. Not having appropriate staff levels increases efficiency checks, which in turn slows down processing times thus leaves the Business Services Unit with a backlog of approximately four weeks with new contracts, purchase orders and acquisitions needing to be started.

Analysis of Problem

Without the increase in staffing to the Business Services Unit, there will continue to be a backlog thus causing a need to resolicit for quotes and bids, challenges from vendors due to not completing bid readings timely, untimely submittal to DGS for approvals of documents and policies not being kept up to date. All of these things could adversely affect the department's ability to maintain our delegated contract authority, along with creating further backlogs and driving up the costs by forcing the department to contract these services out to another department at a higher rate. The additional staff will allow the department to participate in the SB/DVBE programs and for the Administrative Manager to attend the SB/DVBE Advocate meetings.

One Staff Services Manager I (SSM I) and one Staff Services Analyst (SSA) for the Human Resources Unit.

The human resource needs of the department have also increased with new positions and program expansions. With the new positions and program expansions, no additional human resource staff was added. The current staffing consists of one Sr. Personnel Specialist received in a 2014-15 BCP, one redirected Associate Personnel Analyst and the Administrative Manager. No new funding was received for the Sr. Personnel Specialist. The funds were redirected from the various programs within GO-Biz.

The SSM I will be responsible for supervising and directing the daily activities of the Human Resources Office. The SSM I will be able to provide relief to the Administrative Manager by handling the most sensitive HR issues and projects. The Human Resources unit is in need of a manager devoted only to the unit so that when other highly sensitive administrative projects arise, the Administrative Manager can focus on that, while the SSM I can continue to provide managerial support to Human Resources. The SSM I will also be responsible for representing GO-Biz at statewide human resources forums which GO-Biz staff have been unable to attend due to high volumes of workload and backlog. These forums are: AdHoc Committee on Human Resources, California Civil Rights Officers' Council, Classification Supervisors' Forum, Labor Relations Forum, Recruiters' Round Table, and Small Personnel (Offices) Information Network. The SSM I will also be in charge of making sure that the proper policies and procedures for the Human Resources unit are written and completed.

The SSA will be responsible for backing up the current Associate Personnel Analyst and will assist in the areas of recruitment and exams. The current Associate Personnel Analyst requires assistance with collecting job applications, analyzing them for completeness and eligibility, setting up interviews for the whole department and also sitting on interview panels. This will allow the Associate Personnel Analyst to focus on more complex issues like progressive discipline, classification and pay, and labor relations. Human Resources is currently not equipped enough to give State Exams. Two programs within GO-Biz (California Infrastructure and Economic Development Bank, and the California Film Commission) both utilize departmental specific classifications. GO-Biz is in need of giving exams for these classifications as the current eligibility lists are about to expire. GO-Biz currently does not give exams. With the addition of these two positions, the department can begin to better assess the department's needs and begin developing exams. In addition, the Human Resources unit will be better equipped to properly handle multiple priorities at once without having to put projects on hold. Without the increase in staff, the unit will continue to be back-logged. There will continue to be a lack of coverage due to staff not having back-ups, the department will not offer exams, and response times to employees, supervisors, and managers will continue to be delayed. Further, GO-Biz will have no Upward Mobility Program, Strategic Plan, or Disability Advisory Committee in place.

E. Outcomes and Accountability

The increased staffing will allow the department to eliminate the backlog of work within the Human Resources Unit and the Business Services Unit. The additional assistance to the various programs within GO-Biz will eliminate delays in response time to executive staff, managers, supervisors and control agencies.

- Eliminate backlogs in human resources and business services
- Create and update policies and procedures for both human resources and business services

Analysis of Problem

- Provide guidance and training on various issues and policies for both human resources and business services
- Create and maintain an Upward Mobility Plan, Strategic Plan, and Disability Advisory Committee
- Resolve deficiencies discovered through the audit process of the State Leadership Accountability Act
- Participate in statewide CalHR forums to ensure GO-Biz is in line with current Hiring practices

Projected Outcomes

Workload Measure	CY	BY	BY+1	BY+2	BY+3	BY+4
*Draft and Finalize Contracts, POs, Short Form	215	250	250	250	250	250
*Create and maintain files, logs for each Contract, PO and Short Form	215	250	250	250	250	250
**New Hires	300	350	350	350	350	350
**Separations	120	150	150	150	150	150
**Policies and Procedures – Write and update	15	30	30	30	30	30
**Health & Safety (NDI/SDI/FMLA/Workers Comp/ Reasonable Accommodation)	135	160	160	160	160	160
**Counsel and train managers and supervisors on HR topics	800	1000	1000	1000	1000	1000
**Counsel and train employees on HR topics	1000	1200	1200	1200	1500	1500
**Classification & Pay	120	150	150	150	150	150
**Exams	0	1000	1000	1000	1000	1000
**Special Projects	1500	1500	1500	1500	1500	1500

*Contracts tasks are by number of tasks

**HR Tasks are by number of hours it takes to complete tasks

F. Analysis of All Feasible Alternatives

1. Augment GO-Biz's budget by four positions and \$309,000 General Fund in 2016-17 and ongoing to provide necessary administrative support to meet the mission of GO-Biz.
2. Borrow positions from external departments to fulfill the human resources, business services, contracts and procurement needs of GO-Biz. This would include the contributing departments to be responsible for funding each of these positions on an ongoing basis.
3. Contract out for services. This option is not viable as the cost to contract out for such services is more costly to the department overall.
4. Redirect positions and continue to use retired annuitants. This is not a viable option as GO-Biz does not have vacant positions available to perform the duties required in human resources, business services, contracts and procurement. The use of retired annuitants is helpful but it has been determined that full time positions are needed to alleviate the backlog of work not being performed.
5. Do nothing. This is not a viable option as it will not allow GO-Biz to hire staffing needed to decrease the backlog in human resources, business services, contract and procurement. This also will not allow GO-Biz to institute various programs missing such as Upward Mobility Program, a Strategic Plan and Disability Advisory Committee.

Analysis of Problem

F. Implementation Plan

Administratively establish one SSM I position within the Business Services Unit and one SSA positions within the Human Resources Unit October 1, 2015. GO-Biz will absorb the costs of these positions through current year savings. This will help to alleviate some of the backlog that is currently being experienced in both units. Establish the remaining two positions July 1, 2016.

G. Supplemental Information

No special resources are needed for the four new positions.

H. Recommendation

Approve the proposal for four positions and \$309,000 General Fund in 2016-17 and ongoing.